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KEN WEBER, CHAIR

CHUCK NOTBOHM

TOM LYTHGOE

**PROCEEDING OF THE BOARD OF COMMISSIONERS
COUNTY OF JEFFERSON, STATE OF MONTANA
September 9, 2008**

Present: Commissioners Lythgoe, Notbohm and Weber; Harold Stepper, County Planner; Bonnie Ramey, Clerk and Recorder; Joe Carter, Road/Solid Waste Department; Heather Powers, Solid Waste Department; Carl Purdy, I.T. Department; Tom Harrington, JLDC; Ellen Rae Thiel, Museum Board; Jan Anderson, *Boulder Monitor/Jefferson County Courier*; Dave Kirsch, Caroleen Vaughan, Colleen Teeling

MINUTES

Commissioner Weber moved to adopt the minutes of July 29. Commissioner Lythgoe seconded. The motion carried.

REPORTS

Receipt of August Clerk and Recorder fees report from the Clerk and Recorder.

Receipt of August expense and revenue reports from the Clerk and Recorder.

CALENDAR REVIEW

9/11 CTAC – 8:00
Tri-Co Fire – 9:00
Meeting with Forest Service and Johns – 9:00
MSTI public meeting – Dillon – 1:30
Elkhorn Working Group – 3:00
Library Board – Clancy – 5:00
Health Board – 5:00
9/16 JLDC annual meeting – Whitehall – 6:00

COMMISSION REPORTS

September 9, 2008 minutes.wpd

ANIMAL SHELTER DISCUSSION

Commissioner Lythgoe reported that he and Commissioner Weber met Thursday morning with a group that is working to get an animal shelter. The group is very interested in putting this on a ballot. They had wanted to do this next June, but there is no other election at that time. To run an election alone, it would cost about \$29,000 or \$18,000 for a mail ballot. The next time that it could be on the ballot is 2010. This is a discussion that we will have to have; if this is an important enough issue to run an election just for this. In the interim, he has spoken with the attorney that manages Sky Top Ranch, and they have indicated that they may be interested in donating or selling some land to locate the shelter. These discussions are on-going.

CLANCY LIBRARY SUBCOMMITTEE

Commissioner Weber reported that he went to the Clancy library sub-committee meeting on the 4th. The group started with 12 possible alternatives, and they are now down to 4. They are considering strengths and concerns of each. The alternatives are: 1) no action, 2) upgrade the current site and do two satellite service areas in Montana City and Jefferson City, 3) move to another location, most likely Montana City and 4) move services to Montana City and Jefferson City. They made it through the first two alternatives at that meeting, and will consider the other two at the next meeting. The subcommittee is attempting to advise the library board about any needed changes and what they recommend for library services on the north end.

DEPARTMENT OF REVENUE

Commissioner Weber stated that he just got off the phone with Steve Huntington of DOR right before the meeting regarding our taxable valuation and newly taxable properties. We have a big disparity between newly taxable and taxable valuation. Steve explained that having an in-the-hole number is a good thing because it is the difference between what newly taxable brings in and the value of old taxable is that most counties don't get old taxable valuation increases whereas we do through our net and gross proceeds from the mine activities in the county. He will write something up for us; if we have more questions we can call or set up a meeting.

COUNTY FORM OF GOVERNMENT

Commissioner Notbohm stated that he had seen e-mails between Commissioner Weber and Bonnie regarding how the Commission was set up and the Secretary of State's office. We were supposed to get a copy of the letter from the Secretary of State and the balloting, but he hasn't seen it. Commissioner Weber stated that he hasn't seen anything either, other than an e-mail from the County Attorney with a draft letter, which he later sent out. Commissioner Notbohm stated that he has copies of the balloting, and it should be part of the correspondence.

Commissioner Notbohm stated that what it has to deal with is our form of government which was changed four years ago. That is the problem he has always had, that it is a Commissioner form of government, not a Commissioner Chairman. The fact of the matter is that if it was a Commissioner Chairman, Commissioner Weber would go out of office along with himself, and Commissioner Lythgoe would go out of office in two years. It takes a vote of the electorate to make a change, so what happened four years ago when Commissioner Weber came into office

wasn't correct, and he wanted to make sure that what happened made it into the correspondence. Commissioner Weber asked if it is Commissioner Notbohm's understanding that we changed the form of government four years ago. Commissioner Notbohm stated that it is. Commissioner Weber stated that they did not do that. Commissioner Lythgoe noted that we have no authority to change the form of government. Commissioner Notbohm stated that they have been operating on a Commission Chairman form of government; Commissioner Lythgoe countered that they haven't been. Commissioner Weber read a letter that has been sent to the Secretary of State's office, as well as a memo from the Secretary of State's office stating when Jefferson County was formed.

ITEMS FOR COMMISSIONERS ACTION OR REVIEW

DISCUSS AND DECIDE ON PRESERVE AMERICA PROPOSAL

Commissioner Weber stated that Caroleen Vaughan has been working on this and had wanted the Commission to apply for a Preserve America grant. Part of the requirements for the grant is that an inventory of correct Preserve America qualified assets be provided. These records need to be sent to the state historical preservation office. There are many inventories that have been done, but the agencies that have hired the companies to do the surveys haven't provided the State Historic Preservation Office with the reports.

MOU WITH MONTANA WOOLGROWERS

Commissioner Weber stated that this is a yearly agreement for predator control. The costs are based on the number of sheep in the county. Commissioner Weber moved to sign the document. Commissioner Lythgoe seconded. The motion carried.

RESOLUTION 35-2008 RESOLUTION RELATING TO RSID 2506 FINAL LEVY

Commissioner Weber stated that this was discussed in depth at the previous meeting. Mr. Cormandy did not feel that he should be assessed, as he maintained that his access is on McClellan Creek Road, rather than in the subdivision. However, further research by himself and Bill Lloyd of Great West Engineering show that his platted access is onto Evening Star, so he must be included. Commissioner Notbohm asked if that is his only access. Commissioner Weber stated that it is currently blank property, and he has no access agreement for McClellan Creek Road.

Commissioner Lythgoe moved to adopt the resolution. Commissioner Notbohm seconded. The motion carried.

MacHAFFIE HISTORICAL SITE PRESENTATION

Commissioner Weber stated that the MacHaffie historical site will be rescheduled. Harold Stepper, County Planner, stated that he has done a little more research since he spoke with Commissioner Lythgoe. There is a way that this can probably be done, and they will still follow

under statute. It has never been used in Jefferson County since he has been here. It is called a summary review, and preliminary plat and final plat done at the same time. He talked to Matt just before the meeting. Matt hasn't had a lot of time to review this, but no roads, etc. will be constructed. He also talked to the Sanitarian, and we can put the sanitary restriction clause on both parcels so that if the remainder is developed at some time in the future, they will be in place. Harold stated that this is used in other counties on one-lot subdivisions. In this case, the only conditions that he can see that they would put on it is to meet the DEQ specifications and a deed restriction that the land cannot be further developed.

Commissioner Weber asked if Harold could write up the documents and work with Ken Vivrette on this. Harold stated that he will do this. Commissioner Lythgoe asked if it still falls under a subdivision. Harold said that it falls both under the subdivision and platting act and it would bypass the Planning Board. Commissioner Lythgoe asked if Ken Vivrette still wants to make a presentation to the Commission regarding this. Harold stated that he would assume that he probably does. Commissioner Notbohm said that he would assume that a survey would still need to be done. Harold stated that this is correct. Commissioner Notbohm asked who would pay for this. Harold stated that this would be up to the developer.

PUBLIC HEARING – PRELIMINARY BUDGET

Commissioner Weber called the public hearing to order and called Bonnie to comment. Bonnie stated that the mill levies are set by HB124 and we are currently at the maximum allowed by law. The Commission has the ability to lower the levy if they so desire. Bonnie stated that she also sent to each of the Commissioners a short report that outlined all of the full-time employees and where they are paid from. The value of the mill increased 20.77%. She spoke to Harold Blattie at MACo regarding the question of the significant increase, and their spreadsheet does not take into account the net and gross proceeds increase. The majority of the increase in Jefferson County is due to the net and gross proceeds. We do have the new construction increase, but that is very small in comparison. Commissioner Notbohm asked what the increase represents dollar-wise. Bonnie stated that she would have to go back and figure that.

Bonnie stated that the reserves have all be set at last year's level, with the exception of the Health and Sanitation fund, which has been increased up to the maximum allowed by law due to the voted mill levy. Bonnie said that she also gave the Commission the budget transfers that will be done if the budget is approved, as well as where the money is being transferred to. Bonnie stated that she has received two additional requests since the preliminary budget was drawn up. The Solid Waste board is requesting to change their budget and also the County Agent has presented more up-to-date figures. Bonnie stated that if changes are made to the economic development budget, it would decrease the amount of economic development funds needed for that budget. She asked if the Commission want her to reduce the amount of economic development funds that is sent to the County Agent budget. The Commissioners asked that she do this.

Bonnie stated that the Solid Waste board has also submitted some changes that will reduce the amount of their budget also. Commissioner Weber called Joe and Heather forward.

Heather presented a spreadsheet that reflects the changes that have been made to their budget. Heather stated that the Solid Waste board put together a subcommittee to look at the budget, and they came up with a change in temporary employee payroll line item. They are currently in a position that all of the full-time positions are filled and what positions we do have open can be filled within the bounds of the lower amount. The other change is in the health insurance line item. They have not been expending what they have been budgeting. Commissioner Notbohm asked if they still need to allow for health insurance, if the employees take it or not. Heather stated that this amount covers all of the full-time employees. Commissioner Lythgoe stated if this will cause them to not consider a fee increase at this time. Heather stated that at the last board meeting, they discussed looking at the unit assessments, which have not been adjusted since 1996.

Commissioner Weber stated that the Clerk and Recorder brought forward the Extension budget change, and one statement from MSU stood out, which he read as follows: *“Extension Administration is aware that over the past few years the Clerk/Recorder salary formula is no longer a consistent base measurement across the state. Therefore, MSU Extension is offering an alternative formula of 50% of the average agent salary plus benefits, which calculates at a \$30,500 maximum County contribution for FY 2009. The County Commissioners may select the funding formula that is most advantageous to the County’s salary contribution. This is being offered on a voluntary basis and has not been formally reviewed or acted on by MACo.”*

Commissioner Weber stated that they have another budget request in the form of a letter. He read a letter from Sherry Carlson, the chair of the Museum Board (on file in the Clerk and Recorder’s office). They are requesting more money to increase the hours for the Museum Director.

Commissioner Lythgoe asked Bonnie where we are with PILT, after some of the changes that have been made. Bonnie stated that she would have to go back and recalculate the amount with what has been promised. PILT has been promised to the following departments, if they may need it. She noted that in the past three years, have not used all of the earmarked money, with the exception of the County Attorney this past fiscal year. District Court \$20,000 for jury expenses, \$14,000 for the County Attorney, \$4,000 for the Justice of the Peace for trial expenses, \$20,104.81 to the Sheriff’s Office to repay capital outlay if the Commission decides not to purchase vehicles this year, and the Commission signed a letter last year to the Montana City trail project for \$5,059. Commissioner Notbohm stated that we would have about \$281,000 left, if we used all of that. Bonnie stated that this is correct, although we typically don’t use all of it.

Commissioner Weber asked for input on letter from Museum Board. Commissioner Notbohm asked what the increase is over last year. Commissioner Weber stated that it is somewhat confusing. We currently have them at \$5,000, they had asked for \$10,000, but they would like the position to be three-quarter or full-time. They requested \$10,000, but would really like \$12,000 in the payroll line item. Commissioner Notbohm asked where this would put the total budget. Bonnie stated that the museum’s total budget is \$17,390.00 in the proposed budget. If they decided to make the position three-quarter or full-time, the budget would go way up, when

you figure in benefits. Discussion of health insurance benefits and when they start followed. Commissioner Weber asked Bonnie if she has any feel of what the figures would be with the 3/4/ full-time. Bonnie stated that their original request did have that figure. Commissioner Weber stated that it would add approximately \$15,000 to go to three-quarter time, and about \$25,000 to go to full-time. This would make the total budget approximately \$47,000 for full-time and \$37,000 for three-quarter time.

Commissioner Notbohm stated that they do an extremely good job on their program, but he would like to hear what the other Commissioners think about any new expenditures. Commissioner Weber stated that he was impressed with their dedication and the exhibits are great. It is a good use for the building in Clancy. Added expenditures are always hard to deal with, but it may be time. Commissioner Lythgoe stated that he isn't suggesting using any of the trust fund monies, but when he looks at some of the grants that they have made through the trust fund, the economic added value of some of those programs have contributed, he thinks that this is on par with those, or exceeds. He thinks that it would be eligible to be funded out of economic development. Commissioner Notbohm asked if they would have to go through the grant process for that. Commissioner Weber stated that he doesn't think that Commissioner Lythgoe was suggesting a grant; he was suggesting that the program is as valuable as or more valuable than some of the grants they have given.

Caroleen Vaughan asked if the board has approved Sherry's letter, because to her knowledge, the board has not. According to the resolution adopted in 1997 that created the board, the board has supervisor responsibilities, so they would need to create the justification through a job description, hours, etc. through the board. Commissioner Weber stated that it appears to be her personal request, not the board's request. Caroleen stated that she would request that all of the board members get a copy of the letter before a decision is made. Commissioner Lythgoe stated that he doesn't feel that this is necessary for them to make a decision. They did sit down with the museum board and have a discussion about their budget, and this was a part of their discussion.

Ellen Rae Thiel stated that she is on the museum board also. She stated that she supports Sherry's opinions and request wholeheartedly.

Commissioner Lythgoe stated that if they are going to consider a full-time position, they would have to bring the Personnel officer into the discussion. This is probably something to think about. As they will be in continuous session until next week, he thinks that it is appropriate to think about it. Bonnie stated that since they had some discussion of three-quarter and full-time positions, she suggested that she prepare a budget with these and give the Commission something to consider. Commissioner Notbohm stated that museum board is somewhat behind the curve regarding the set up of the board. In this case, they would have to get with Kellie for a job description and pay grade. Commissioner Weber stated that there is a job description for the current position, but it will be up to Kellie if this needs to be changed. Commissioner Lythgoe asked Bonnie to work with Kellie on this, the \$10 figure is probably not correct.

Tom Harrington, JLDC, said that he would like to address a couple items. He congratulated the Commission on the mill value going up. He stated that he has been at the mining summit the

past few days and has done a couple of presentations on sustainability. He said to refresh the Commission's minds on what sustainability is about, it is about meeting the needs of the present without compromising the ability of future generations to meet their own needs. We are kind-of at the forefront of that, leading. After the presentation the previous night, the northern Nevada coalition came up to them and said that they had modeled their organization after what Jefferson County has done. He brings that up because in talking about sustainability and thinking about what it means in relation to mining, you think about this hard rock trust account being taken for use in the general fund. He stated that he wants to reiterate a couple of things here; hard rock mine entitlement dollars are allocated for a purpose. They are discretionary for the leadership of the county, but only within the context of state statute; as long as they are doing that we are okay. Tom said that these really are "golden goose" dollars that are only available to four counties in the state, and are monies that they have had for a lot of years, and go up and down based on gross proceeds. They are not going to be there forever. This particular fund has taken ten years to accumulate, and will be zeroed out in one year. If there are budgetary issues that require this, what are they going to do next year. If there are budgetary issues, the voters should be informed about it and let them know that issues are coming up. Tom stated that several years ago, there was a big upheaval and debate over use of metal mines funds. At that time, there were assurances that there would be better communication when there was talk of using metal mines monies. He thinks that it is about full disclosure and about being open with everyone with what is going in. He doesn't think that it is a matter of if there are issues with the budget, but when.

Tom said that he wanted to reiterate a couple things that are going on right now in the county. They just barely got the Golden Sunlight Mine through 2015; they have three years when the mill will be down. Three years during which there will be no gross proceeds. This will have a major impact to the county. There is another mine waiting for a record of decision; we don't know what is going to happen there. They have been struggling with that for four years. This is a potential major impact to the budget. How to sustain the services and the economy of Jefferson County is what needs to be looked at now. Looking at what he has seen in economic development and planning, we would be doing planning even without the metal mines funds, and planning is more than just subdivision review. We have a unique opportunity with the growth in Jefferson County, issues the leadership of Jefferson County will have to deal with. They need to start thinking about this now, and how to fund. Tom said that he thinks that they need to look at what they are doing with metal mines monies and look at sustainability. Bottom line, we will fill the vital functions of the county; we need to go back to the idea of sustainability. He is asking them as the leadership to take another look at what they are doing with the budget, and what is a short-term fix. The voters will tell us what they want; we all understand that prices are going up. He asked them not to look at metal mines money as an easy way out.

Commissioner Weber stated that one thing that has been updated since they spoke, there is \$55,000 that is being put back in that account, and of course, this year's money will go into there. They are also looking at other ways to get money back into that account. Commissioner Lythgoe stated that the other thing that he will point out is that they are considering all of the things that Tom has suggested. They do have a considerable amount of money in the north-end trust account; they aren't touching any of that. The north end monies, from his perspective, are different from the south end monies. The south end money, Whitehall is a community that stood

up and spoke long and loud about the use of the monies. The Commission feels the same way about those monies. Those monies are pretty sacred to us, sacred in regards to the sustainability that Tom is talking about. However, the Commission does have discretion over the use of the funds, and they would be remiss not to consider the use of these funds. They are going to make sure that economic development activities are going to continue.

Tom stated that the point of his presentation is that the color of money has been changed. He struggles with money that has taken 10 years to build up being used in one year. Tom asked what will happen next fiscal year. Commissioner Lythgoe stated that they as a Commission would be amiss not to look at any funding source; planning activities do have an economic impact on the county, so he is pretty comfortable with the decisions they are contemplating making regarding the use of these monies.

Commissioner Notbohm stated that it has always been his feeling that north or south, those monies are supposed to be for the good of the county. However, he agrees with Tom that once the money is gone they will be hard pressed to replace it.

[3:03 PM] Commissioner Weber had to leave the meeting, and asked Commissioner Lythgoe to take over the meeting. Commissioner Lythgoe called for further comments. Hearing none, he closed the public hearing, noting that the Commission will be in continuous session until the end of the next meeting.

Bonnie asked if the Commission wants her to make the changes to the preliminary budget and post them on the website. The Commission asked her to do this. Bonnie stated that she will also draw up sample budgets for half, three-quarter and full-time for the Museum Board.

Commissioner Notbohm asked if everything that is supposed to be in the budget, in regards to the Intercap loan and future expenditures, etc. is included in the budget. Bonnie stated that the Intercap loan that she is aware of for the Wagner house is included. She knows that there is ongoing discussion about a future building, but that is not included until the Commission does the inception of that plan and the inception of those dollars. At that point in time, she has the ability under the budget law to amend the budget to include those dollars and the payment of the Intercap loan. Commissioner Lythgoe asked if the budget that is on the table include the anticipated pay-back. Bonnie stated that it is included as revenue in the budget. Commissioner Lythgoe asked about the other Intercap loans that they will be dealing with – Big Dipper, etc. Bonnie stated that those are for a special district, and will be separate. Bonnie stated that we currently have the two districts – South Hills and Saddle Mountain, that were bonded. Commissioner Notbohm asked if anyone has come in and looked at the budget. Bonnie stated that Jan has come in and looked at it, and she is aware of several that have looked at it online, including Marga Lincoln of the *Helena Independent Record*.

Ellen Rae Thiel stated that she wanted to comment on the house that the Commission has purchased. It is the Shope house. She has seen it referred to in the papers as the historic Wagner house, but there is nothing historic about the Wagners.

DISCUSS AND DECIDE ON PREPARING COMMENTS REGARDING THE MOUNTAIN STATES TRANSMISSION INTERTIE

Commissioner Lythgoe stated that the Commission received a communiqué from the BLM and DEQ regarding the proposed transmission intertie. They are currently in the environmental review process, where new alternatives may be presented. The draft EIS is scheduled for completion in late spring 2009 and the final EIS is scheduled for late fall of that year. They want to be operational by 2013. They are presenting the Commission with the opportunity to comment on the transmission line. Commissioner Lythgoe stated that he thinks we need to comment, and we might want to have a night meeting as it relates to this. Harold stated that he thinks two of the routes would affect Jefferson County. He thinks that there could be a lot of interest from the public, and could generate significant revenue to the county, and could lower our power bills in the future. Commissioner Lythgoe stated that last year, NorthWest contributed \$1.197 million to our tax base.

Dave Kirsch stated that he also has information, but no one seems to have a map. He said that someone needs to find out if they were to use the existing corridor, if the towers need to be 1000 feet apart. Harold stated that this is correct. Commissioner Lythgoe stated that this is why he thinks that they need to have some public meetings, to dispel some of the rumors. Commissioner Notbohm said that it would be good to have the person who came to the Commission meeting come back.

OPPORTUNITY FOR PUBLIC COMMENT

Caroleen Vaughan stated that she wanted to talk to the Commission about the master inventory list that the Montana Historical Society maintains. This list is significant and needs to be reviewed and verified. She is hoping that there can be some communication between the Commission Office and the Historical Society, as many of the entries on the list have no information. This document is the basis for activities that would be done by Whitehall's main street program, Boulder's if they elect to do that, the Preserve America initiatives for the county and the new Preserve America application that is expected in Whitehall and Boulder. What needs to be done is to have state and federal agencies that have conducted the cultural inventory to give that information to the State Historic Preservation Office. Once the documents are submitted, they will have to be reviewed and a determination made if they agree. This will take some time, and it is critical that this get cleared up first. She stated that she thinks it might be appropriate for a letter to go to the State Historic Preservation Office or even the Governor's office. Commissioner Notbohm stated that if they were to put a Commissioner on this, they would pretty much have to give up everything else they are doing. She said that a letter would be appropriate, and possibly some guidance of which site they would like reviewed first.

Commissioner Notbohm moved to adjourn. Commissioner Lythgoe seconded.

MEETING ADJOURNED

ATTEST:

**BONNIE RAMEY
CLERK AND RECORDER**

KEN WEBER, CHAIR

TOMAS E. LYTHGOE, COMMISSIONER

CHUCK NOTBOHM, COMMISSIONER